

# Accounts Receivable Policy Overview

This topic provides guidelines to assist agencies in developing procedures to properly account for, report, manage and collect receivables in accordance with the General Statutes (G.S.) 147-86.20 through .27.

The overall policy of the State is to take all appropriate and cost effective actions to aggressively collect accounts receivable. The object of the Statewide receivables program is to improve the management of State receivables held by its agencies and institutions.

## *Statute of Limitations:*

- In most instances, there is a three year statute of limitations which exists for State receivables. It will vary depending on the type of account and other factors. If any questions arise either contact your agency legal counsel, or the Attorney Generals office for verification. This does not relieve the debtor of their responsibility to the State. Agencies and institutions should be aware of this when considering legal action as the limitation rules offer a defense to the debtor.

## *The Office of the State Controller (OSC) is responsible for:*

- Prescribing accounts receivable policies, procedures, and guidelines;
- Providing technical assistance to agencies and institutions regarding the Statewide management of receivables and proper revenue recognition policies;
- Preparing quarterly and annual reports of the States receivables;
- Monitoring and analyzing the receivables of agencies and institutions;
- Maintaining an accounts receivable system that can record and report the States receivables in accordance with G.S. 147-86.20 through .27; and
- Ensuring that debt setoff programs are fully utilized by all agencies and institutions.

## *Agencies and Institutions are responsible for:*

- Developing systems that are adequate to properly account for and report their receivables;
- Reporting to the OSC the required data from its receivable systems that satisfy the States reporting requirements as stated in G.S. 147-86.26 which includes the type receivables, their age, collection status, collection costs, writeoffs, etc.;
- Developing and implementing policies and procedures that adhere to the collection policies and guidelines established by the OSC and Attorney General;
- Ensuring that their accounting and financial management systems are adequate to properly account for, record, and manage their receivables and are able to report information into the Statewide accounts receivable system; and
- Copying the Office of the State Controller on the Perkins loan status reports submitted to the Federal government on the date filed.

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